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UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

PORTLAND DIVISION

**TECHNICAL SECURITY INTEGRATION,  
INC.,** a Washington corporation,

Plaintiff,

v.

**PHILADELPHIA INDEMNITY INSURANCE  
COMPANY,** a Pennsylvania corporation,

Defendants.

Civil No. \_\_\_\_\_

**COMPLAINT (Breach of  
Contract)**

**DEMAND FOR JURY TRIAL**

Plaintiff Technical Security Integration, Inc. ("TSI") alleges as follows:

1. TSI is a Washington corporation which does business in the State of Oregon.
2. Defendant Philadelphia Indemnity Insurance Company ("PIIC") is a Pennsylvania corporation that issues insurance policies to provide coverage for occurrences in Oregon and that conducts business in Oregon.
3. The subject matter of this suit is for damages in excess of \$75,000, from PIIC under insurance policies ("Policy") PHPK916668 for commercial general liability and PHUB395725 for umbrella coverage, issued by PIIC to TSI on or about September 20, 2012.

COMPLAINT (Breach of Contract)

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CASE NO.

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4. This Court has jurisdiction of this matter pursuant to 28 U.S.C. § 1332 and 28 U.S.C. § § 2201, 2202, based upon the Policy, which was in effect at the time of the filing of the Underlying Action.

5. On April 12, 2013, TSI filed a complaint in *Technical Security Integration, Inc. v. S & S Electrical Contractors, LLC, et al.*, U.S. District Court of Oregon Case No. 3:13-CV-00636-MO ("Underlying Action"), claiming breach of contract and intentional interference against Defendant Corey Tharp ("Tharp"), Plaintiff's former employee, and Defendant S & S Electrical Contracting, LLC, Defendant Tharp's current employer, collectively "Underlying Action Defendants."

6. In response, Mr. Tharp brought counterclaims against TSI for defamation. Mr. Tharp alleged that on or about February 25, 2013, Mr. Craig Swankosky, TSI's chief executive officer, published false statements to third parties regarding Mr. Tharp's present status as a suspect in a theft investigation involving moral turpitude; Mr. Tharp alleged that the statements about his status as a suspect prejudiced him in his trade or profession.

7. Those counterclaims alleged covered claims under the Policy, as they alleged that TSI was legally obligated to pay sums due to "bodily injury" or "personal and advertising injury." Those allegations were not subject to exclusion under the Policy relating to employment-related practices, because the alleged statements regarding Mr. Tharp related to the status of a pending theft investigation and whether Mr. Tharp was a current suspect.

8. On or about July 10, 2013, TSI tendered the counterclaims to PIIC, by forwarding a copy of the counterclaims in the Underlying Action to PIIC. On or about July 24, 2013, PIIC denied that request as excluded by the Policy.

9. The case went to trial, and the jury returned a verdict in favor of the Underlying Action Defendants on all remaining claims. The jury also returned a verdict in favor of Mr. Tharp for \$50,000 on the defamatory counterclaims. The jury found that although qualified privilege existed for Mr. Swankosky's statements alleged in the counterclaims, that privilege was lost.

10. The Court entered judgment against TSI, and Mr. Tharp subsequently demanded payment of that judgment. On or about October 1, 2014, TSI satisfied the judgment in full with payment of \$57,288.45 to the Underlying Action Defendants. The amount of the judgment is within the limits of the Policy.

11. TSI incurred attorney fees, costs and expenses in defending itself against the counterclaims of approximately \$98,000, in an amount to be proven at trial.

12. PIIC is liable to TSI in the amount of damages TSI paid to satisfy the judgment, and in the amount of its attorney fees incurred to defend against the counterclaims, in an a precise amount to be proven at trial.

13. Pursuant to ORS 742.061, TSI is entitled to recover its reasonable attorney fees and expenses incurred herein.

WHEREFORE, TSI prays that the Court enter judgment in its favor and against PIIC, for damages in the amount of \$155,288.45, plus prejudgment interest thereon, plus its costs, expenses and reasonable attorney fees incurred herein.

DATED this 25<sup>th</sup> day of November, 2014.

McEWEN GISVOLD LLP

By: /s/ Jonathan M. Radmacher  
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